

**REMARKS**

In view of the foregoing amendments and the following remarks, Applicants respectfully submit the instant application is in condition for allowance, an indication of which is respectfully requested at this time.

As preliminary matter, Applicants note that the Office Action fails to address the substance of the arguments that Applicants previously asserted to overcome the rejection over Stein and the alleged Applicants' Admitted Prior Art ("AAPA"). Previously, Applicants argued that the proposed combination of Stein and the alleged AAPA fails to describe or suggest that

"an order/transaction processing section having access to the storage medium, for applying at least one of the rules to each respective received transaction based on source and level of the respective received transaction being within the specified scope of each applied rule, to determine whether or not to allow execution of the requested order or asset transfer contained in the respective received transaction, wherein:

upon determining to automatically approve execution of the requested order or asset transfer contained in a first received transaction, based on application of at least one of the rules to the request for the order or asset transfer in the first received transaction, the order/transaction processing section forwards the order or the asset transfer in the request contained in the first received transaction to an execution process for fulfillment;  
and

upon the application of at least one of the rules to a second received transaction indicating a manual user approval is required for execution of the order or asset transfer, in the request contained in a second received transaction, the order/transaction processing section forwards the request for the order or asset transfer contained in the second received transaction to a user for possible manual approval for execution for fulfillment,  
as recited in claim 6."

In response, during the interview conducted on July 27, 2009, the Examiner asserted that this feature is "extremely obvious and well-known" and further asserted that he has no doubt that he can prove this upon proper traversal of the rejection. During the interview, the Examiner also pointed to his personal knowledge of how the financial asset trading and management industry worked based on his own experience, to provide support for the obviousness ground rejection. However, to date the Examiner has failed to provide any evidence to support his conclusion. The

Examiner has simply failed to cite to any specific evidence in support of the allegation regarding an ordinary practitioner's personal knowledge of how the financial asset trading and management industry worked prior to Applicants' date of invention or any evidence regarding how the above-recited features are "extremely obvious and well-known."

Applicants respectfully submit that the Amendment submitted on March 3, 2009 and Amendment and Request for Reconsideration submitted on December 23, 2009, the content of which are incorporated herein by reference, properly traversed the rejection over Stein and the alleged AAPA as requested by the Examiner. These submissions went into detail describing why the cited references fail to describe or suggest the above-recited features of claim 6 (and similarly claim 31) and pointing to specific case laws holding that an obviousness rejection cannot be sustained by mere conclusory statements or by a mere assertion that features of claimed invention would have been extremely obvious and well-known or within the Examiner's personal knowledge.

In response, the Office Action dated April 27, 2010 asserts that claims 6 and 31 are now so unclear that the best attempt at examining the claims is directed merely toward showing an interface, a storage medium, and an order/transaction processing system without specifically addressing the previously submitted arguments. *See*, Office Action at page 5. In particular, the basic 103 rejection set forth later in the Action simply reformats and repeats the previous positions. Except now, the rejection is even broader as the Examiner fails to point out where and how the cited documents show the distinguishing features in the claims. *Id.*

As such, Applicants are unable to glean from the Office Action any insight as to why the Examiner did not find the previously submitted arguments convincing. Applicants kindly request that the Examiner address the merits of the following remarks.

**Claim Rejections – 35 U.S.C. § 101**

Claims 6-13 and 29-40 were rejected under 35 U.S.C. § 101 for allegedly not being directed to a patentable subject matter. The Office Action asserts that claims 6-13 and 29-40 are drawn to an interface which is software; therefore, they are inoperative and lack utility. Applicants disagree.

Independent claims 6 and 31 explicitly recite “a rules engine computer system,” which is a ‘machine’ type subject matter under the statute. The Field of the Invention in the original specification indicated that the “invention disclosed herein relates to computer systems and, more particularly, to rules-based systems for order execution and asset movement processing.” The computer system recited in independent claims 6 and 31 includes an interface, a non-transitory storage medium, and an order/transaction processing section having access to the storage medium. Application FIG. 2, for example, shows a communication interface 240, the rules storage 200 and an order/transaction processing section 230. The claims are not directed to software per se. Independent claims 6 and 31, along with their dependent claims 7-13 and 29-40, clearly recite an operable ‘machine’ type subject matter, having utility in order or transaction processing and which is patentable under § 101.

For at least the foregoing reasons, Applicants respectfully request reconsideration and withdrawal of the above-stated rejection.

**Claim Rejections – 35 U.S.C. § 112**

Claims 6-13 and 29-40 were rejected under 35 U.S.C. § 112, first paragraph, as allegedly lacking supporting disclosure of utility. The Office Action asserts that since the claimed invention is not supported by either a clearly asserted utility or well-established utility for the

reasons set forth [under § 101 rejection], one skilled in the art would not know how to use the claimed invention.” *See*, Office Action at page 4. Applicants disagree. As noted above, the claims clearly recite an operable ‘machine’ type subject matter; and, as such are directed toward patentable subject matter, having utility in order or transaction processing and which is patentable under § 101.

The computer system of the instant application is configured to apply rules to transactions to determine whether or not to execute the order contained in the received transaction, and as a result, subsequently forward the transaction regarding an order or asset transfer for execution/fulfillment or forward the transaction for manual approval of a transaction based on the outcome of the rules application decision. To this end, the computer system of the instant application can be configured “(1) to prevent problems in the order handling, approval and execution processes, (2) to ensure compliance with regulatory requirements, (3) to enforce diverse policies for different broker-dealer firms using the rules engine and to allow broker-dealer firms to flexibly tailor, in real time, their own policies appropriate to various levels of administrative hierarchy within the firm.” *See*, Specification at page 3, lines 1-7.

For at least the reasons presented above, Applicants respectfully submit that the claims of the instant application indeed have a well-established utility. Therefore, Applicants respectfully request reconsideration and withdrawal of the § 112, first paragraph, rejection.

Claims 6-13 and 29-40 were also rejected under 35 U.S.C. § 112, second paragraph, as allegedly being indefinite. Claims 6 and 31 have been amended to address this rejection. Therefore, Applicants respectfully request reconsideration and withdrawal of the § 112, second paragraph, rejection.

**Claim Rejections – 35 U.S.C. § 103**

Claims 6 and 31 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Number 5,978,779 (“Stein”) in view of the alleged AAPA. Applicants continue to traverse this rejection because the proposed combination of Stein and the alleged AAPA, at a minimum, fails to describe or suggest an order/transaction processing section having access to the storage medium, the order/transaction processing section configured to apply at least one of the rules to each respective received transaction based on source and level of the respective received transaction being within the specified scope of each applied rule, to determine whether or not to allow execution of the requested order or asset transfer contained in the respective received transaction, wherein:

upon determining to automatically approve execution of the requested order or asset transfer contained in a first received transaction, based on application of at least one of the rules to the request for the order or asset transfer in the first received transaction, the order/transaction processing section forwards the order or the asset transfer in the request contained in the first received transaction to an execution process for fulfillment; and

upon the application of at least one of the rules to a second received transaction indicating a manual user approval is required for execution of the order or asset transfer, in the request contained in a second received transaction, the order/transaction processing section forwards the request for the order or asset transfer contained in the second received transaction to a user for possible manual approval for execution for fulfillment, as recited in claim 6.

In contrast, Stein deals with other types of data processing functions, such as access control and/or notification of needed documents or government filings. That is, Stein does not even deal with a rule-based determination of whether or not to execute the order contained in the

respective received transaction. Although Stein applies rules to a variety of different system functions, Stein does not apply rules to transactions to determine whether or not to execute the order contained in the respective received transaction, and as a result, there is no subsequent forwarding of a transaction regarding an order or asset transfer for execution/fulfillment or forwarding for manual approval of a transaction based on the outcome of the rules application decision. For example, Stein determines what documents a client must execute for a particular transaction (column 6, lines 46-51), but Stein does not determine whether or not the transaction should be executed or sent for manual approval.

As such, Stein fails to describe or suggest an order/transaction processing section having access to the storage medium, the order/transaction processing section configured to apply at least one of the rules to each respective received transaction based on source and level of the respective received transaction being within the specified scope of each applied rule, to determine whether or not to allow execution of the requested order or asset transfer contained in the respective received transaction, wherein:

upon determining to automatically approve execution of the requested order or asset transfer contained in a first received transaction, based on application of at least one of the rules to the request for the order or asset transfer in the first received transaction, the order/transaction processing section forwards the order or the asset transfer in the request contained in the first received transaction to an execution process for fulfillment; and

upon the application of at least one of the rules to a second received transaction indicating a manual user approval is required for execution of the order or asset transfer, in the request contained in a second received transaction, the order/transaction processing section

forwards the request for the order or asset transfer contained in the second received transaction to a user for possible manual approval for execution for fulfillment, as recited in claim 6.

To distinguish Stein further, claim 6 requires that a rule has an assigned level of scope of application selected from a plurality of preset levels, where each preset level of scope of application specifies a scope of source of transactions to which the rule should apply. Independent claim 6 also requires that the assigned level of scope of application for the rule is adjustable, from a first one of the preset levels to a second one of the preset levels, based on a user setting. It is respectfully submitted that neither Stein nor the allegedly obvious modification of Stein proposed in the rejection of claim 6 would satisfy the independent claim requirements regarding a rule having one of a plurality of levels of scope of application including transaction source, assigned to the rule from among a number of preset levels based on a user setting.

Stein discloses a system for integrating and structuring the relationships of a financial services provider (FSP) with its clients and with third parties (counterparties) with which the FSP transacts business. Each entity with which the FSP transacts business as well as each of the transacting entities internal to the FSP are assigned a unique, non-intelligent identifier (CCID), and a relationship is established between each identifier and at least one other entity likewise identified. The system allows the FSP's users to seamlessly access information and transact business with all entities. Attention is directed to the abstract. The text of the Stein patent does mention a number of rules, and the rules are hierarchical. *See e.g.*, Stein at col. 2, lines 36-42; and col. 3, lines 29-39. However, Applicants maintain that Stein does not actually disclose that a transaction approval/disapproval rule is assigned a level of scope of applicability regarding transaction source, from a plurality of preset levels of scope of applicability, based on a user setting.

The alleged AAPA also fails to describe or suggest these features. Notably, the Office Action also fails to point to any evidence showing the above-recited features of claim 6. Since each of Stein and AAPA fails to describe or suggest the above-recited features of claim 6, their proposed combination necessarily fails to describe or suggest the above-recited features of claim 6.

In addition to the distinctions/errors noted above with regard to the basic rejection of claim 6, Applicants previously submitted that

the allegations of prior art admissions in the latest Action, as well as the related earlier taking of Official Notice on corresponding points in the preceding Action, are inappropriate. Applicants have not conceded or admitted that the points raised with regard to claims 7-13 were all known in the art prior to Applicants' invention. The previous response did in fact challenge the taking of Official Notice, particularly with regard to issues relating to prior art knowledge of levels of scope of application to a specific account, a specific registered representative, a specific office, a specific firm, and a global level. In view of that challenge, the rationale expressed on pages 2 and 3 of the latest Detailed Action for converting Official Notice into prior art admissions is clearly in error. Applicants maintain that use of Official Notice is not an appropriate substitute for evidence in this case. If there is some evidence on so many relevant claim points, it is incumbent on the Examiner to come forward with the evidence, to allow Applicants a meaningful opportunity to respond and to create a complete record for purposes of Appeal if necessary (see e.g. *Lee* and *Zurko* cited above). The vague reliance on Official Notice and/or attempted conversion thereof to some kind of admission does not provide the requisite level of evidence to support a prima facie case of obviousness, with respect to any of Applicants' independent or dependent claims. Hence, the rejection over Stein and Official Notice also is improper and should be withdrawn.

*See*, Amendment and Request for Reconsideration dated December 23, 2009 at pages 16 and 17. Accordingly, Applicants have not conceded or admitted that the points raised with regard to claims 7-13 and 32-38 were all known in the art prior to Applicant's invention. Based on the forgoing, the rejection of claim 6 does not make the requisite showing under *Graham* and does not provide the rational underpinning for the conclusion of obviousness required by *KSR*. Therefore, the rejection is improper and should be withdrawn.

Since the basic rejection over Stein and the alleged AAPA does not meet the requirements of showing obviousness of independent claim 6 and should be withdrawn for lack



of evidence, the rejection of dependent claims 7-13, 29, and 30 also does not lead to a conclusion that any of Applicants' pending claims are unpatentable over the art.

Independent claim 31 includes features similar to the above-recited features of independent claim 6. Therefore, for at least the reasons presented above with respect to independent claim 6, Applicants respectfully request reconsideration and withdrawal of the rejection of independent claim 31, along with its dependent claims.

For the reasons outlined above, it is respectfully submitted that claims 6-13 and 29-40 patentably distinguish over the various modifications/combinations of art applied in the latest Office Action and that the art rejections should be withdrawn. Applicants therefore submit that all of the claims are in condition for allowance. Accordingly, this case should now be ready to pass to issue; and Applicants respectfully request a prompt favorable reconsideration of this matter.

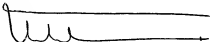
### **Conclusion**

Having fully responded to all matters raised in the Office Action, Applicants submit that all claims are in condition for allowance, an indication for which is respectfully solicited. If there are any outstanding issues that might be resolved by an interview or an Examiner's amendment, the Examiner is requested to call Applicants' attorney at the telephone number shown below.

To the extent necessary, if any, a petition for an extension of time under 37 C.F.R. § 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account 500417 and please credit any excess fees to such deposit account.

Respectfully submitted,

McDERMOTT WILL & EMERY LLP

A handwritten signature in black ink, appearing to read 'Babak Akhlaghi', written over a horizontal line.

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